IN THE UNITED STATES PATENT & TRADEMARK OFFICE

IN RE PATENT APPLICATION OF:	Michael M. TSO
SERIAL NO.:	09/854,423
FILING DATE:	May 10, 2001
ATTORNEY DOCKET NO.:	031792-0311553
CONFIRMATION NO.:	7666
EXAMINER:	Thu Thao Havan
ART UNIT:	3695
FOR:	Using Currency to Purchase from Sellers that do not Recognize the Currency

APPELLANT'S BRIEF ON APPEAL UNDER 37 C.F.R. § 41.37

Mail Stop Appeal Brief – Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA. 22313-1450

Dear Sir:

Further to the Notice of Appeal filed on **March 14, 2011**, and the "Notice of Panel Decision from Pre-Appeal Brief Review" mailed **April 12, 2011**, Appellant respectfully submits Appellant's Brief on Appeal pursuant to 37 C.F.R. § 41.37.

The fee required under 37 C.F.R. § 41.20(b)(2) is filed concurrently herewith. The Director is further authorized to charge any additional fees that may be due, or credit any overpayment of same to Deposit Account No. 033975 (**Ref. No. 031792-0311553**).

I.   REAL PARTY IN INTEREST - *37 C.F.R. § 41.37(c)(1)(i)*

By virtue of the Assignment recorded June 3, 2011 at reel 026385, frame 0745, the real party in interest is Invenda Corporation.

II.   RELATED APPEALS AND INTERFERENCES - *37 C.F.R. § 41.37(c)(1)(ii)*

Appellant is aware of no related appeals or interferences.

III.   STATUS OF CLAIMS - *37 C.F.R. § 41.37(c)(1)(iii)*

The status of the claims is as follows:

Pending: Claims 1, 3-9, 11-15, 17-23, 25-29, 31-37, and 39-41 are pending.

Cancelled: Claims 2, 10, 16, 24, 30, 38, and 42-59 are cancelled.

Rejected: Claims 1, 3-9, 11-15, 17-23, 25-29, 31-37, and 39-41 are rejected.

Allowed: No claims have been allowed.

On Appeal: Claims 1, 3-9, 11-15, 17-23, 25-29, 31-37, and 39-41 are appealed.

The claims on appeal, as currently pending, are listed in Section VIII. Section VIII contains a correct listing of the pending claims.

IV.   STATUS OF AMENDMENTS - *37 C.F.R. § 41.37(c)(1)(iv)*

No amendments have been filed subsequent to the mailing of the Final Office Action on December 13, 2010 (hereinafter "Final Action").

V.   SUMMARY OF CLAIMED SUBJECT MATTER - *37 C.F.R. § 41.37(c)(1)(v)*

The following exemplary citations to the Specification and drawing figures are <u>not</u> exclusive, as other examples of support for the claimed subject matter exist. As such, the following citations should not be viewed as limiting.

A.   INDEPENDENT CLAIM 1

Independent claim 1 is directed to a computer-implemented method of processing a transaction [Specification, *e.g.*, pg. 3, lines 2-10; and FIG. 1].

Independent claim 1 recites an operation of receiving, at an intermediary computer, from a client device associated with a first participant in the transaction, a request to process the transaction using a first currency that is not recognized by a second participant in the transaction [Specification, *e.g.*, pg. 3, lines 2-10; pg. 6, lines 12-14; pg. 7, lines 13-17; pg. 9, lines 1-14; FIG. 1; FIG. 2A; and FIG. 3]. Independent claim 1 recites that the client device is operatively connected to the intermediary computer via a communications link [Specification, *e.g.*, pg. 7, lines 2-12; pg. 9, lines 8-14; FIG. 2A; and FIG. 3], and wherein the first currency comprises a private currency [Specification, *e.g.*, pg. 3, line 23 – pg. 4, line 5; pg. 9, lines 1-2; pg. 9, lines 5-7; pg. 12, lines 9-11; and pg. 18, lines 2-11].

Independent claim 1 recites an operation of decrementing, by the intermediary computer, an amount of the first currency associated with the first participant by decrementing a balance of a first currency account of the first participant maintained at the intermediary computer [Specification, *e.g.*, pg. 3, lines 5-8; pg. 6, lines 14-16; pg. 7, lines 17-20; pg. 9, lines 15-18; pg. 10, lines 4-14; pg. 13, lines 8-19; FIG. 1; and FIGS. 2A-

2B].

Independent claim 1 recites an operation of incrementing, by the intermediary computer, an amount of second currency associated with the first participant by incrementing a balance of a second currency account of the first participant maintained at the intermediary computer, wherein the second currency is recognized by the second participant [Specification, *e.g.*, pg. 3, lines 5-8; pg. 6, lines 16-18; pg. 7, lines 17-20; pg. 9, lines 21-22; pg. 10, lines 4-14; pg. 13, lines 8-19; FIG. 1; and FIGS. 2A-2B].

Independent claim 1 recites an operation of processing the transaction using the amount of second currency associated with the first participant [Specification, *e.g.*, pg. 3, lines 8-10; pg. 6, lines 19-20; pg. 7, lines 21-23; pg. 9, line 23 – pg. 10, line 3; pg. 10, lines 4-14; FIG. 1; and FIGS. 2A-2B].

B.   INDEPENDENT CLAIM 15

Independent claim 15 is directed to a computer-readable medium including computer-executable instructions for processing a transaction, the instructions operable when executed by one or more processors to perform various functions [Specification, *e.g.*, pg. 15, line 4-12; and FIG. 3].

Independent claim 15 recites that the instructions...cause the one or more processors to receive, at an intermediary computer, from a first participant in the transaction, a request to process the transaction using a first currency that is not recognized by a second participant in the transaction [Specification, *e.g.*, pg. 3, lines 2-10; pg. 6, lines 12-14; pg. 7, lines 13-17; pg. 9, lines 1-14; FIG. 1; FIG. 2A; and FIG. 3], wherein the first currency comprises a private currency [Specification, *e.g.*, pg. 3, line 23 – pg. 4, line 5; pg. 9, lines 1-2; pg. 9, lines 5-7; pg. 12, lines 9-11; and pg. 18, lines 2-11].

Independent claim 15 recites that the instructions...cause the one or more processors to decrement, by the intermediary computer, an amount of the first currency associated with the first participant by decrementing a balance of a first currency account of the first participant maintained at the intermediary computer [Specification, *e.g.*, pg. 3, lines 5-8; pg. 6, lines 14-16; pg. 7, lines 17-20; pg. 9, lines 15-18; pg. 10, lines 4-14; pg. 13, lines 8-19; FIG. 1; FIGS. 2A-2B; and FIG. 3].

Independent claim 15 recites that the instructions...cause the one or more

processors to increment, by the intermediary computer, an amount of second currency associated with the first participant by incrementing a balance of a second currency account of the first participant maintained at the intermediary computer, wherein the second currency is recognized by the second participant [Specification, *e.g.*, pg. 3, lines 5-8; pg. 6, lines 16-18; pg. 7, lines 17-20; pg. 9, lines 21-22; pg. 10, lines 4-14; pg. 13, lines 8-19; FIG. 1; FIGS. 2A-2B; and FIG. 3].

Independent claim 15 recites that the instructions...cause the one or more processors to process the transaction using the amount of second currency associated with the first participant [Specification, *e.g.*, pg. 3, lines 8-10; pg. 6, lines 19-20; pg. 7, lines 21-23; pg. 9, line 23 – pg. 10, line 3; pg. 10, lines 4-14; FIG. 1; FIGS. 2A-2B; and FIG. 3].

C.   INDEPENDENT CLAIM 29

Independent claim 29 is directed to an apparatus for processing a transaction [Specification, *e.g.*, pg. 3, lines 11-22].

Independent claim 29 recites that the apparatus comprises an input/output mechanism configured to receive, from a first participant in the transaction, a request to process the transaction using a first currency that is not recognized by a second participant in the transaction [Specification, *e.g.*, pg. 3, lines 2-10; pg. 6, lines 12-14; pg. 7, lines 13-17; pg. 9, lines 1-14; FIG. 1; FIG. 2A; and FIG. 3], wherein the first currency comprises a private currency [Specification, *e.g.*, pg. 3, line 23 – pg. 4, line 5; pg. 9, lines 1-2; pg. 9, lines 5-7; pg. 12, lines 9-11; and pg. 18, lines 2-11].

Independent claim 29 recites that the apparatus comprises a transaction processor communicatively coupled to the input/output mechanism [Specification, *e.g.*, pg. 3, lines 11-22].

Independent claim 29 recites that the transaction processor is configured to decrement an amount of the first currency associated with the first participant, in response to the request from the first participant, by decrementing a balance of a first currency account of the first participant [Specification, *e.g.*, pg. 3, lines 5-8; pg. 6, lines 14-16; pg. 7, lines 17-20; pg. 9, lines 15-18; pg. 10, lines 4-14; pg. 13, lines 8-19; FIG. 1; FIGS. 2A-2B; and FIG. 3].

Independent claim 29 recites that the transaction processor is configured to increment an amount of second currency associated with the first participant by incrementing a balance of a second currency account of the first participant, wherein the second currency is recognized by the second participant [Specification, *e.g.*, pg. 3, lines 5-8; pg. 6, lines 16-18; pg. 7, lines 17-20; pg. 9, lines 21-22; pg. 10, lines 4-14; pg. 13, lines 8-19; FIG. 1; FIGS. 2A-2B; and FIG. 3].

Independent claim 29 recites that the transaction processor is configured to process the transaction using the amount of second currency associated with the first participant [Specification, *e.g.*, pg. 3, lines 8-10; pg. 6, lines 19-20; pg. 7, lines 21-23; pg. 9, line 23 – pg. 10, line 3; pg. 10, lines 4-14; FIG. 1; FIGS. 2A-2B; and FIG. 3].

VI.   GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL - *37 C.F.R. § 41.37(c)(1)(vi)*

Claims 1, 3-9, 11-15, 17-23, 25-29, 31-37, and 39-41 stand rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over U.S. Patent No. 6,061,660 to Eggleston *et al.* (hereinafter "Eggleston") in view of U.S. Patent No. 4,968,873 to Dethloff *et al.* (hereinafter "Dethloff") [Final Action, pg. 4].

VII.   ARGUMENTS - *37 C.F.R. § 41.37(c)(1)(vii)*

The rejection of claims 1, 3-9, 11-15, 17-23, 25-29, 31-37, and 39-41 under 35 U.S.C. § 103(a) as allegedly being unpatentable over Eggleston in view of Dethloff is legally improper and should be reversed because the Examiner has failed to establish a *prima facie* case of obviousness.

In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the Examiner to establish a factual basis to support the legal conclusion of obviousness. *See In re Fine*, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the Examiner must make the factual determinations set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966). Obviousness is a question of law based on the following underlying factual

inquiries: "(a) the scope and content of the prior art; (b) the differences between the prior art and the claims at issue; (c) the level of ordinary skill in the art; and (d) objective evidence of nonobviousness." *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 958, 1 U.S.P.Q.2d 1196, 1197 (Fed. Cir. 1986) (citing *Graham*, 383 U.S. at 17). "Against this background, the obviousness or nonobviousness of the subject matter is determined." *Graham*, 383 U.S. at 17.

To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). All words in a claim must be considered in judging the patentability of that claim against the prior art. *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

It is also well established that "the examiner bears the initial burden, on review of the prior art or an any other ground, of presenting a *prima facie* case of unpatentability. If that burden is met, the burden of coming forward with evidence or argument shifts to the applicant." *In re Oetiker*, 977 F.2d 1443, 1445, 24 U.S.P.Q.2d 1443, 1444 (Fed. Cir. 1992) (discussing *In re Piasecki*, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984)).

In the instant application, the Examiner has failed to establish a *prima facie* case of obviousness because, assuming arguendo that it were legally proper to modify Eggleston to include the alleged teachings of Dethloff in the manner alleged by the Examiner (which Appellant does *not* concede), the references, even if combined, fail to disclose, teach, or suggest all of the claim features.

A.   INDEPENDENT CLAIMS 1, 15, & 29

Assuming arguendo that it were legally proper to modify Eggleston to include the alleged teachings of Dethloff in the manner alleged by the Examiner (which Appellant does *not* concede), the references, even if combined, fail to disclose, teach, or suggest all of the claim features of at least independent claims 1, 15, and 29 for the reasons set forth in detail below.

1. EGGLESTON'S TELECOMMUNICATIONS CONNECTIONS (38) IS <u>NOT</u> AN INTERMEDIARY <u>COMPUTER</u>

Independent claim 1 includes positive recitations of an intermediary <u>computer</u>:

> receiving, at <u>an intermediary computer</u>, from a client device associated with a first participant in the transaction, a request to process the transaction using a first currency that is not recognized by a second participant in the transaction, wherein the client device is operatively connected to <u>the intermediary computer</u> via a communications link, and wherein the first currency comprises a private currency;

> decrementing, by <u>the intermediary computer</u>, an amount of the first currency associated with the first participant by decrementing a balance of a first currency account of the first participant maintained at <u>the intermediary computer</u>;

> incrementing, by <u>the intermediary computer</u>, an amount of second currency associated with the first participant by incrementing a balance of a second currency account of the first participant maintained at <u>the intermediary computer</u>, wherein the second currency is recognized by the second participant;

The Examiner's § 103 rejection is predicated upon the erroneous assertion that the telecommunications connections (38) in FIG. 2 of Eggleston corresponds to Appellant's claimed intermediary <u>computer</u> [see Final Action, pg. 4]. In particular, the Examiner recites:

> ...Eggleston discloses intermediary in relation to communications links in a network (fig. 2).
>
> ***
>
> Thus, in figure 2, element 38, an intermediary as claimed corresponds to a telecommunications connections in Eggleston since they are both a connection to link information between users.

> [Final Action, pg. 3; *see also* Final Action, pg. 4].

The Examiner's assertion that a telecommunications connection corresponds to an intermediary computer is not a reasonable interpretation in light of the specification and claims and, in fact, ignores the description of the intermediary computer in the

specification, and the express recitations of the claims as a whole regarding the functions performed by/at the intermediary computer.

In the Final Action, at pg. 3, the Examiner refers to paragraph [0021][1] of the Specification to support the interpretation of "intermediary computer." The relied-upon passage of the Specification recites:

> FIG. 2A is a block diagram of an arrangement 200 for processing transactions according to an embodiment of the invention. Arrangement 200 includes participants 202, 204 and an intermediary 206. _Participant 202 is communicatively coupled to intermediary 206 via a communications link 208. Participant 204 is communicatively coupled to intermediary 206 via a communications link 210. Communications links 208, 210 may be implemented by any medium or mechanism that provides for the exchange of data between participant 202 and intermediary 206 and between participant 204 and intermediary 206, respectively._ Examples of communications links 208, 210 include, without limitation, any number of networks, such as Local Area Networks (LANs), Wide Area Networks (WANs), Ethemets or the Internet, or one or more terrestrial, satellite or wireless links.
>
> [U.S. Pat. App. Pub. No. 2002/0002532, ¶[0021] --or-- pg. 7, lines 2-12 of the _as-filed_ Specification, emphasis added].

The Examiner's interpretation is legally flawed because it is clear that the Specification distinguishes between an intermediary computer and communications links. The proper interpretation of the intermediary computer is not a communication link (or connection) as alleged by the Examiner. By contrast, _at least_ the foregoing passage of the Specification, together with FIG. 2A (reproduced below), make clear that the intermediary computer (206) is connected to participants (202, 204) _by_ communications links (208, 210), respectively.

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[1] The Examiner cites to the published application (U.S. Patent Application Publication No. 2002/0002532, published January 3, 2002). This passage can be found in the _as-filed_ Specification at pg. 7, lines 2-12.

FIG. 2A   200
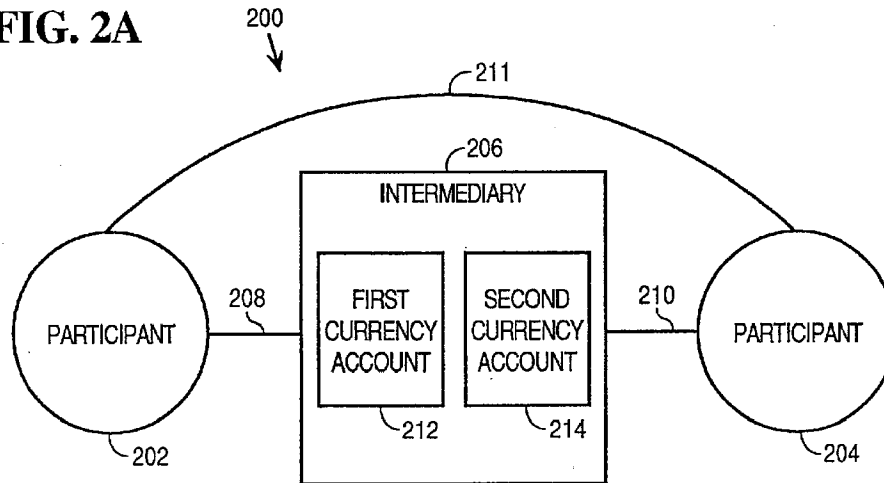
INTERMEDIARY computer and "communications link" are separate terms with separate meanings. Thus, Eggleston's telecommunications connection (38) cannot properly read on Appellant's claimed intermediary computer. For at least this reason alone, the rejection of independent claim 1 under § 103 is improper and should be withdrawn.

Independent claim 15 likewise recites an "intermediary computer" and includes recitations similar to those of independent claim 1 addressed above. Accordingly, the rejection of independent claim 15 under § 103 is improper and should be withdrawn for at least the same reasons.

Independent claim 29 recites similar operations performed by/at a "transaction processor." Nowhere in the Final Action does the Examiner appear to even address the claimed transaction processor. This alone constitutes legal error, as all words in a claim must be considered in judging the patentability of that claim against the prior art. *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). *Regardless*, to the extent the Examiner is relying on Eggleston's telecommunications connection (38) as allegedly reading on Appellant's claimed transaction processor, such an interpretation is not reasonable in light of the specification and claims and, in fact, ignores the description of the transaction processor in the specification, and the express recitations of the claims as a whole regarding the functions performed by/at the transaction processor. The

proper interpretation of the transaction processor is <u>not</u> a communication link (or

connection) as alleged by the Examiner. Accordingly, the rejection of independent

claims 15 and 29 under § 103 is also improper and should be withdrawn.

> **2.   THE TELECOMMUNICATIONS CONNECTIONS (38) OF EGGLESTON
>   DO <u>NOT</u> PERFORM THE CLAIMED OPERATIONS PERFORMED
>   BY/AT THE INTERMEDIARY COMPUTER**

Even assuming <u>arguendo</u> that the Examiner's interpretation were deemed

proper, and that the telecommunications connections (38) of Eggleston do correspond

to Applicant's claimed intermediary computer (which Applicant does <u>not</u> concede), the

rejection would still fail as a matter of law.

Particularly, applying the Examiner's interpretation <u>consistently</u> to the claim

language of independent claim 1, for example, the telecommunications connections (38)

of Eggleston would have to perform the following claimed operations performed by/at

the intermediary computer:

> <u>receiving, at an intermediary computer,</u> from a client device associated with a first participant in the transaction, <u>a request to process the transaction using a first currency</u> that is not recognized by a second participant in the transaction, wherein the client device is operatively connected to the intermediary computer via a communications link, and wherein the first currency comprises a private currency;

> <u>decrementing, by the intermediary computer, an amount of the first currency</u> associated with the first participant <u>by decrementing a balance of a first currency account of the first participant maintained at the intermediary computer;</u>

> <u>incrementing, by the intermediary computer, an amount of second currency</u> associated with the first participant <u>by incrementing a balance of a second currency account of the first participant maintained at the intermediary computer,</u> wherein the second currency is recognized by the second participant;

> [*See* independent claim 1, emphasis added].

Eggleston's telecommunications connections (38) do <u>not</u> perform these claimed operations. For example, with regard to telecommunications connections (38), Eggleston recites:

> FIG. 1 is a schematic diagram illustrating the basic components of the World Wide Web. FIG. 1 depicts <u>client computers 34 which are connected by telecommunications links 38 to one or more server computers 32</u>. The client computers 34 are equipped with web browsers 50 that permit the client computers 34 to view HTML pages.
>
> [Eggleston, col. 10, lines 10-15, emphasis added].

<p align="center">***</p>

> Referring to FIG. 2, the particular systems necessary for operation of the present invention are depicted. Thus, a consumer computer 12, a sponsor computer 14, and a retailer computer 16 <u>are connected by a telecommunications connection 38 over the Internet to a host computer 18</u>. The host computer 18 may include a gateway computer 19, or may be configured to <u>provide a direct connection to the telecommunications connection 38</u>. The system may further include an electronic data interchange 126 from the retailer computer 16 to a retailer inventory system 212, which permits access between the retailer components and the host computer 18 over the Internet.
>
> [Eggleston, col. 10, lines 43-54, emphasis added; *see also* col. 23, lines 5-8; col. 23, lines 20-22; col. 28, lines 15-18; col. 37, lines 34-37; and col. 37, lines 44-46].

As the citations to Eggleston make clear, the telecommunications connections (38) of Eggleston do not perform any of the claimed operations performed by/at the Appellant's claimed intermediary computer.

For example, the telecommunications connections (38) of Eggleston do <u>not</u> receive, from a client device associated with a first participant in the transaction, a request to process the transaction using a first currency that is not recognized by a second participant in the transaction.

Additionally, the telecommunications connections (38) of Eggleston do <u>not</u> maintain a first currency account of a first participant, and do not decrement an amount

of the first currency associated with the first participant by decrementing a balance of a

first currency account.

Further, the telecommunications connections (38) of Eggleston do not maintain a

second currency account of the first participant, and do not increment an amount of

second currency associated with the first participant by incrementing a balance of a

second currency account... wherein the second currency is recognized by the second

participant.

Dethloff was not relied-upon for the teaching of the claimed intermediary

computer. Because the Examiner's alleged § 103 rejection is based on portions of

Eggleston alone that do not in fact support the Examiner's contentions, the Examiner has

failed to meet the requisite burden of establishing a *prima facie* case of obviousness.

Independent claim 15 includes recitations similar to those of independent claim 1

addressed above. Independent claim 29 recites similar operations performed by/at a

transaction processor (*e.g.*, decrement(ing) an amount of the first currency and

increment(ing) an amount of second currency) that are not performed by Eggleston's

telecommunications connections (38).

For at least the foregoing reasons, the rejection of independent claims 1, 15, and

29 under § 103(a) is improper and should be withdrawn.

3.   **EGGLESTON FAILS TO TEACH OR SUGGEST A TRANSACTION
       (BETWEEN A FIRST PARTICIPANT AND A SECOND PARTICIPANT)
       INVOLVING A FIRST CURRENCY THAT IS NOT RECOGNIZED BY A
       SECOND PARTICIPANT**

In addition to the shortcomings of Eggleston discussed above concerning

Appellant's claimed intermediary computer, the Examiner has further failed to establish

that Eggleston teaches a transaction between a first participant and a second participant

involving a first currency that is not recognized by a second participant, as claimed in

independent claims 1, 15, and 29.

In the Final Action, the Examiner *appears* to provide two alternative

interpretations as to which entities in Eggleston comprise Appellant's claimed first and

second participants. Neither interpretation is legally sound, however, for the reasons set

forth below.

a)   First Interpretation

It appears as though the Examiner first alleges that the a consumer in Eggleston comprises a "first participant" while the retailer comprises a "second participant" [Final Action, pg. 4]. This interpretation is flawed because, in Eggleston, an award redemption transaction (the alleged transaction) between a consumer (the alleged first participant) and a retailer (the alleged second participant) does not constitute a transaction involving a first currency, whether private or otherwise, that is not recognized by the retailer.

For example, in Eggleston, an award is redeemed at a retailer using a card that is issued to a consumer. Eggleston recites:

> At a step 608 the consumer is instructed to visit a retailer to obtain a prize. The consumer presents the card 11 or a promotional item at a step 610. The retailer dials the winner's database at a step 612, inputs the card ID number at a step 614, and determines a match at a step 616...
>
> If a match occurs, the retailer receives an authorization code online or by phone from the host system at a step 630. The retailer then provides a receipt at a step 632 that is signed by the consumer, in which case the consumer may then exit the store with the award.
>
> [Eggleston, col. 44, line 64 - col. 45, line 13, emphasis added].

> ***
>
> The primary function of the card is to provide an electronic identification procedure at the check-out counter or point of sale (POS) whereby the identification information can be compared with an award winner's award information in order to authorize payment by the incentive company (via an issuer) for a particular product or service.
>
> [Eggleston, column 42, lines 5-10, emphasis added].

As such, Eggleston appears to teach an award redemption transaction that includes verification by a retailer that a particular award or prize is associated with the particular consumer claiming the award or prize.

Also, Eggleston teaches that *identification information* associated with the card is used for such verification. Thus, the award redemption transaction between the consumer and the retailer in Eggleston does <u>not</u> appear to entail an exchange of currency (private or otherwise) between the consumer and the retailer that the retailer does not recognize. To the extent the card information is used for a transaction, it is recognized by the retailer.

Even assuming <u>arguendo</u> that the Examiner's allegation that a user in Eggleston obtains incentive points (the alleged first currency) "...to redeem the award/money at any retails [sic]" [Final Action, pg. 4] is true, Eggleston still fails to teach that the award redemption transaction involves any incentive points that are not recognized by the retailer. Further, in Eggleston, a consumer redeems an award/prize at a registered retailer who offered the prize for an incentive program. Thus, the consumer is instructed to visit the registered retailer (not just any retailer) to obtain the award/prize.

Additionally, at pg. 5 of the final Action, the Examiner alleges that col. 46, lines 4-55 of Eggleston teaches "... reducing the points in the card as awards are being granted to the user." The Examiner's allegation is not supported as the relied-upon portion of Eggleston does not even mention incentive points. For at least the foregoing reasons, the Examiner has failed to unambiguously relate how the features of Eggleston allegedly teach the features of the claimed invention.

Accordingly, under the Examiner's first alleged interpretation, the rejection of independent claims 1, 15, and 29 under § 103(a) is improper and should be withdrawn.

b) Second Interpretation

In an apparent alternative interpretation, the Examiner appears to allege that a first retailer is a "first participant" and a second retailer is a "second participant" [Final Action, pg. 4] and that one retailer doesn't necessarily recognize another retailer's redemption points, but accepts the incentive points due to points in the card.

This interpretation is likewise deficient as Eggleston does not appear to address a "transaction" between one retailer and another retailer. In particular, Eggleston fails to teach or suggest a transaction between two retailers that entails an exchange of currency (private or otherwise) between a first retailer and a second retailer that the second retailer does not recognize. Eggleston's award redemption transaction is

between a consumer and a retailer. Accordingly, the Examiner's alternate interpretation is also improper.

Dethloff fails to cure the deficiencies of Eggleston identified above. In particular, as previously noted, Dethloff was not relied-upon for the teaching of the claimed intermediary computer. Dethloff discloses a smart card or "M-card" which carries a program mechanism and central processing unit for manipulating values which can be stored in the card. Dethloff, however, fails to teach transactions involving a first currency, wherein the first currency comprises a *private currency*. Other distinctions may exist.

For at least the foregoing reasons, the rejection of independent claims 1, 15, and 29 under § 103(a) is improper and should be withdrawn.

B.   DEPENDENT CLAIMS 3-9, 11-14, 17-23, 25-28, 31-37, and 39-41

Dependent claims 3-9 and 11-14 are allowable because they each ultimately depend from allowable independent claim 1, as well as for the further features they recite. Dependent claims 17-23 and 25-28 are allowable because they each ultimately depend from allowable independent claim 15, as well as for the further features they recite. Dependent claims 31-37 and 39-41 are allowable because they each ultimately depend from allowable independent claim 29, as well as for the further features they recite.

1.   DEPENDENT CLAIMS 3, 17, AND 31

Dependent claims 3, 17, and 31 recite that the amount of second currency incremented by the intermediary computer (or transaction processor) is determined based upon at least the amount of first currency decremented by the intermediary computer (or transaction processor).

The Examiner alleges that Eggleston teaches this feature at col. 44, line 64- col. 45, line 67 [Final Action, pg. 5]. As previously noted, Eggleston teaches an award redemption transaction between a consumer and a retailer that includes verification by the retailer that a particular award or prize is associated with the particular consumer claiming the award or prize. Eggleston, however, fails to teach or suggest that the award

redemption transaction involves a first currency that is not recognized by the retailer. Because Eggleston's transaction does not involve a first currency, Eggleston fails to teach or suggest that the amount of second currency incremented by the telecommunications connections (the alleged intermediary computer or transaction processor) is determined based upon at least the amount of first currency decremented by the telecommunications connections.

For at least the foregoing reasons, the rejection of dependent claims 3, 17, and 31 under § 103 is legally improper and should be withdrawn.

2.   DEPENDENT CLAIMS 4, 18, AND 32

Dependent claims 4, 18, and 32 recite that the amount of second currency incremented by the intermediary computer (or transaction processor) is determined based upon at least a set of one or more conversion criteria.

The Examiner alleges that Eggleston teaches this feature at col. 21, lines 4-28 [Final Action, pg. 6]. The relied-upon passage of Eggleston discusses a retailer's interaction with an award database, wherein the retailer may query the award database, update the award database by adding or deleting prizes or changing prices or fulfillment options, *etc.* The relied-upon passage of Eggleston, however, fails to teach or suggest that the amount of second currency incremented by Eggleston's telecommunications connections (the alleged intermediary computer or transaction processor) is determined based upon a set of conversion criteria. There appears to be no mention of conversion criteria in Eggleston.

For at least the foregoing reasons, the rejection of dependent claims 4, 18, and 32 under § 103 is legally improper and should be withdrawn.

3.   DEPENDENT CLAIMS 5, 19, AND 33

Dependent claims 5, 19, and 33 recite that the set of one or more conversion criteria includes a time at which the request from the first participant is received.

The Examiner alleges that Eggleston teaches this feature at col. 1, lines 46-62 [Final Action, pg. 6]. The relied-upon passage of Eggleston recites:

> Traditional incentive programs systems suffer drawbacks in terms of convenience of tracking data, changing promotions, and the like. For example, <u>for a consumer who participates in multiple incentive programs it may take time and effort to track his or her participation in each program</u>. For example, <u>time is required to keep track of loyalty points earned in each separate incentive program</u>. Therefore, when a consumer receives an offer to participate in an incentive program, the consumer may decide against participating in it, not because the incentive program is not attractive, but <u>because the cost to the consumer, in terms of the time and effort to tracking another incentive program, exceeds the expected benefit of the incentive program</u>. Accordingly, a consumer need has arisen for a streamlined system and method for tracking consumer participation in a variety of incentive programs from different sponsors.

[Eggleston, col. 1, lines 46-62, emphasis added].

The fact that time and effort is, according to Eggleston, required by consumers to keep track of loyalty points earned in separate incentive programs has nothing to do with using a time at which a request from a consumer (the alleged first participant) is received as conversion criteria to determine the amount of second currency incremented by the intermediary. The Examiner has failed to provide evidence to the contrary.

For at least the foregoing reasons, the rejection of dependent claims 5, 19, and 33 under § 103 is legally improper and should be withdrawn.

4.   DEPENDENT CLAIMS 6-7, 20-22, AND 34-36

Dependent claims 6, 20, and 34 recite that the set of one or more conversion criteria includes one or more attributes of the first participant.

Dependent claims 7, 21, and 35 recite that the set of one or more conversion criteria includes one or more attributes of the second participant.

Dependent claims 22 and 36 recite that the set of one or more conversion criteria includes one or more attributes of the transaction.

The Examiner alleges that the features of these claims are taught by Eggleston at: (1) col. 41, lines 5-38; (2) col. 27, lines 8-34; and (3) col. 25, lines 15-49 [Final Action, pg. 6].

Col. 41, lines 5-38 of Eggleston appears to describe various items stored in an award database.

Col. 27, lines 8-34 of Eggleston appears to teach that consumers may query a consumer database for status information.

Col. 25, lines 15-49 of Eggleston appears to teach that information provided by a consumer may be sent to an electronic card provider who then issues a card containing identification of the consumer.

None of the relied-upon portions, however, teach or suggest that attributes of a consumer (the alleged first participant), attributes of a retailer (the alleged second participant), or attributes of award redemption transaction (the alleged transaction) are used as conversion criteria to determine an amount of second currency incremented by the intermediary computer (or transaction processor).

For at least the foregoing reasons, the rejection of dependent claims 6-7, 20-22, and 34-36 under § 103 is legally improper and should be withdrawn.

5.   DEPENDENT CLAIM 8

Dependent claim 8 recites that the set of one or more conversion criteria includes one or more attributes of the transaction. The Examiner alleges that Eggleston teaches this feature at col. 1, lines 46-62 [Final Action, pg. 6].

The relied-upon passage of Eggleston does not mention conversion criteria, much less using one or more attributes of the transaction as conversion criteria to determine the amount of second currency incremented by the intermediary computer.

For at least the foregoing reasons, the rejection of dependent claim 8 under § 103 is legally improper and should be withdrawn.

6.   DEPENDENT CLAIMS 9, 23, AND 37

Dependent claims 9, 23, and 37 recite that the set of one or more conversion criteria includes which products or services are involved in the transaction.

The Examiner alleges that Eggleston teaches this feature at col. 41, lines 28-65 and col. 42, lines 38-57 [Final Action, pg. 6].

The relied-upon passages of Eggleston appear to describe a data structure of a sponsor database which may include information regarding award units and incentive programs. However, there is no mention in the relied-upon passages of Eggleston of using information regarding which products or services are involved in a transaction as conversion criteria to determine the amount of second currency incremented by the intermediary computer (or transaction processor).

For at least the foregoing reasons, the rejection of dependent claims 9, 23, and 37 under § 103 is legally improper and should be withdrawn.

7.   DEPENDENT CLAIMS 14 AND 28

Dependent claim 14 recites:

> receiving, at the intermediary computer, a request to process a second transaction involving the first participant and a third participant using the first currency that is not recognized by the third participant;
>
> decrementing, by the intermediary computer, an additional amount of the first currency associated with the first participant;
>
> incrementing , by the intermediary computer, an amount of third currency associated with the first participant, wherein the third currency is recognized by the third participant; and
>
> processing the second transaction using the amount of the third currency.

Dependent claim 28 includes similar recitations. In the Final Action, at pg. 7, the Examiner alleges that Eggleston teaches these features at; (1) col. 44, line 64 to col. 45, line 67; and (2) col. 46, lines 4-55.

As previously noted, Eggleston teaches an award redemption transaction between the consumer and the retailer that includes verification by the retailer that a particular award or prize is associated with the particular consumer claiming the award

or prize. Eggleston, however, fails to teach or suggest that the award redemption transaction involves a first currency that is not recognized by the retailer. Even if Eggleston were to disclose a second award redemption transaction between the consumer and another retailer (which Appellant does not concede), the second award redemption transaction would also not involve a first currency (private or otherwise) that is not recognized by the other retailer.

For at least the foregoing reasons, the rejection of dependent claims 14 and 28 under § 103 is legally improper and should be withdrawn.

CONCLUSION

For at least the foregoing reasons, Appellant requests that the rejection of claims 1, 3-9, 11-15, 17-23, 25-29, 31-37, and 39-41 under 35 U.S.C. § 103 be reversed.

Respectfully submitted,

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VIII.   CLAIMS APPENDIX - *37 C.F.R. § 41.37(c)(1)(viii)- CLAIMS CURRENTLY PENDING ON APPEAL*

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1.   **(Previously Presented)** A computer-implemented method of processing a transaction, comprising:

receiving, at an intermediary computer, from a client device associated with a first participant in the transaction, a request to process the transaction using a first currency that is not recognized by a second participant in the transaction, wherein the client device is operatively connected to the intermediary computer via a communications link, and wherein the first currency comprises a private currency;

decrementing, by the intermediary computer, an amount of the first currency associated with the first participant by decrementing a balance of a first currency account of the first participant maintained at the intermediary computer;

incrementing, by the intermediary computer, an amount of second currency associated with the first participant by incrementing a balance of a second currency account of the first participant maintained at the intermediary computer, wherein the second currency is recognized by the second participant; and

processing the transaction using the amount of second currency associated with the first participant.

2.   **(Cancelled)**

3.   **(Previously Presented)** The method as recited in claim 1, wherein the amount of second currency incremented by the intermediary computer is determined based upon at least the amount of first currency decremented by the intermediary computer.

4.   **(Previously Presented)** The method as recited in claim 1, wherein the amount of second currency incremented by the intermediary computer is determined based upon at least a set of one or more conversion criteria.

5.   (**Original**) The method as recited in claim 4, wherein the set of one or more conversion criteria includes a time at which the request from the first participant is received.

6.   (**Original**) The method as recited in claim 4, wherein the set of one or more conversion criteria includes one or more attributes of the first participant.

7.   (**Original**) The method as recited in claim 4, wherein the set of one or more conversion criteria includes one or more attributes of the second participant.

8.   (**Original**) The method as recited in claim 4, wherein the set of one or more conversion criteria includes one or more attributes of the transaction.

9.   (**Original**) The method as recited in claim 8, wherein the set of one or more conversion criteria includes which products or services are involved in the transaction.

10.   (**Cancelled**)

11.   (**Previously Presented**) The method as recited in claim 1, wherein decrementing the balance of the first currency account and incrementing the balance of the second currency account are performed as an atomic transaction.

12.   (**Previously Presented**) The method as recited in claim 1, further comprising incrementing the balance of the first currency account of the first participant by the amount of first currency that was previously decremented if the transaction is not successfully processed.

13.   (**Previously Presented**) The method as recited in claim 12, further comprising decrementing the balance of the second currency account of the first participant by the amount of second currency that was previously incremented.

14.   (**Previously Presented**) The method as recited in claim 1, further comprising:

receiving, at the intermediary computer, a request to process a second transaction involving the first participant and a third participant using the first currency that is not recognized by the third participant;

decrementing, by the intermediary computer, an additional amount of the first currency associated with the first participant;

incrementing , by the intermediary computer, an amount of third currency associated with the first participant, wherein the third currency is recognized by the third participant; and

processing the second transaction using the amount of the third currency.

15. **(Previously Presented)** A computer-readable medium including computer-executable instructions for processing a transaction, the instructions operable when executed by one or more processors to cause the one or more processors to:

receive, at an intermediary computer, from a first participant in the transaction, a request to process the transaction using a first currency that is not recognized by a second participant in the transaction, wherein the first currency comprises a private currency;

decrement, by the intermediary computer, an amount of the first currency associated with the first participant by decrementing a balance of a first currency account of the first participant maintained at the intermediary computer;

increment, by the intermediary computer, an amount of second currency associated with the first participant by incrementing a balance of a second currency account of the first participant maintained at the intermediary computer, wherein the second currency is recognized by the second participant; and

process the transaction using the amount of second currency associated with the first participant.

16. **(Cancelled)**

17. **(Previously Presented)** The computer-readable medium as recited in claim 15, wherein the amount of second currency incremented by the intermediary computer is determined based upon at least the amount of first currency decremented by the intermediary computer.

18. **(Previously Presented)** The computer-readable medium as recited in claim 15, wherein the amount of second currency incremented by the intermediary computer is determined based upon at least a set of one or more conversion criteria.

19. **(Original)** The computer-readable medium as recited in claim 18, wherein the set of one or more conversion criteria includes a time at which the request from the first participant is received.

20.   (Original) The computer-readable medium as recited in claim 18, wherein the set of one or more conversion criteria includes one or more attributes of the first participant.

21.   (Original) The computer-readable medium as recited in claim 18, wherein the set of one or more conversion criteria includes one or more attributes of the second participant.

22.   (Original) The computer-readable medium as recited in claim 18, wherein the set of one or more conversion criteria includes one or more attributes of the transaction.

23.   (Original) The computer-readable medium as recited in claim 22, wherein the set of one or more conversion criteria includes which products or services are involved in the transaction.

24.   (cancelled)

25.   (Previously Presented) The computer-readable medium as recited in claim 15, wherein decrementing the balance of the first currency account and incrementing the balance of the second currency account are performed as an atomic transaction.

26.   (Previously Presented) The computer-readable medium as recited in claim 15, further comprising computer-executable instructions which, when executed by the one or more processors, cause the one or more processors to increment the balance of the first currency account of the first participant by the amount of first currency that was previously decremented if the transaction is not successfully processed.

27.   (Previously Presented) The computer-readable medium as recited in claim 26, further comprising computer-executable instructions which, when executed by the one or more processors, cause the one or more processors to decrement the balance of the second currency account of the first participant by the amount of second currency that was previously incremented.

28.   (**Previously Presented**) The computer-readable medium as recited in claim 15, further comprising computer-executable instructions which, when executed by the one or more processors, cause the one or more processors to:

receive, at the intermediary computer, from the first participant, a request to process a second transaction involving the first participant and a third participant using the first currency that is not recognized by the third participant;

decrement, by the intermediary computer, an additional amount of the first currency associated with the first participant;

increment, by the intermediary computer, an amount of third currency associated with the first participant, wherein the third currency is recognized by the third participant; and

process the second transaction using the amount of the third currency.

29.   (**Previously Presented**) An apparatus for processing a transaction, the apparatus comprising:

an input/output mechanism configured to receive, from a first participant in the transaction, a request to process the transaction using a first currency that is not recognized by a second participant in the transaction, wherein the first currency comprises a private currency; and

a transaction processor communicatively coupled to the input/output mechanism, wherein the transaction processor is configured to:

decrement an amount of the first currency associated with the first participant, in response to the request from the first participant, by decrementing a balance of a first currency account of the first participant;

increment an amount of second currency associated with the first participant by incrementing a balance of a second currency account of the first participant, wherein the second currency is recognized by the second participant; and

process the transaction using the amount of second currency associated with the first participant.

30.   (**Cancelled**)

31.   (**Original**) The apparatus as recited in claim 29, wherein the transaction processor is further configured to determine the amount of second currency to be incremented based upon at least the amount of first currency decremented.

32.   (**Previously Presented**) The apparatus as recited in claim 29, wherein the transaction processor is further configured to determine the amount of second currency incremented based upon at least a set of one or more conversion criteria.

33.   (**Original**) The apparatus as recited in claim 32, wherein the set of one or more conversion criteria includes a time at which the request from the first participant is received.

34.   (**Original**) The apparatus as recited in claim 32, wherein the set of one or more conversion criteria includes one or more attributes of the first participant.

35.   (**Original**) The apparatus as recited in claim 32, wherein the set of one or more conversion criteria includes one or more attributes of the second participant.

36.   (**Original**) The apparatus as recited in claim 32, wherein the set of one or more conversion criteria includes one or more attributes of the transaction.

37.   (**Original**) The apparatus as recited in claim 36, wherein the set of one or more conversion criteria includes which products or services are involved in the transaction.

38.   (**Cancelled**)

39.   (**Previously Presented**) The apparatus as recited in claim 29, wherein the transaction processor is further configured to decrement the balance of the first currency account and increment the balance of the second currency account as an atomic transaction.

40.   (**Previously Presented**) The apparatus as recited in claim 29, wherein the transaction processor is further configured to increment the balance of the first currency account of the first participant by the amount of first currency that was previously decremented if the transaction is not successfully processed.

41.   (**Previously Presented**) The apparatus as recited in claim 40, wherein the transaction processor is further configured to decrement the balance of the second currency account of the first participant by the amount of second currency that was previously incremented.

42-59. (**cancelled**)

IX.   EVIDENCE APPENDIX - *37 C.F.R. § 41.37(c)(1)(ix)*

NONE.

For this Appeal, Appellants does not rely on any evidence submitted pursuant to 37 C.F.R. §§ 1.130, 1.131, or 1.132, or other evidence entered by the Examiner.

X.   RELATED PROCEEDINGS INDEX - *37 C.F.R. § 41.37(c)(1)(x)*

NONE.